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2003 Medicaid Civil Case Settlements



Medicaid Section Chief John Krayniak meets with members of his staff to review an investigation.

Pfizer, Inc.

The New Jersey Medicaid Program and the National Association of Medicaid Fraud Control Units reached a settlement agreement with Pfizer, Inc., maker of Lipitor, an anti-cholesterol medication. Pfizer violated the federal Medicaid drug rebate statute by failing to accurately report statutorily mandated "best price" information on the drug.

As part of the settlement, New Jersey recovered \$1,250,626 in restitution, penalties and interest.

Lifescan, Inc.

The New Jersey Medicaid Program and the National Association of Medicaid Fraud Control Units reached a settlement agreement with Lifescan, Inc. Lifescan manufactures and sells blood glucose monitors and test strips. Lifescan violated Food and Drug Administration (FDA) statutes by marketing an adulterated and misbranded medical device, the Sure Step blood glu-

cose monitor system. The State of New Jersey recovered \$293,282 in restitution and penalties as a result of this settlement agreement.

Abbott Laboratories, Inc.

A settlement agreement was reached between Abbott Laboratories, the New Jersey Medicaid Program and the National Association of Medicaid Fraud Control Units. Abbott paid kickbacks, which are unlawful under the Medicaid fraud statute, to durable medical equipment suppliers and nursing homes in exchange for the suppliers and homes ordering Abbott products. Abbott supplied enteral feeding products which were billed to the Medicaid Program. The State of New Jersey recovered \$936,206 in restitution and penalties as a result of this settlement agreement.

GlaxoSmithKline, Inc.

The New Jersey Medicaid Program and the National Association of Medicaid Fraud Control Units reached a settlement agreement with GlaxoSmithKline, Inc., maker of Flonase, a nasal spray, and Paxil, an anti-depressant medication.

GlaxoSmithKline violated the federal Medicaid drug rebate statute by failing to accurately report statutorily mandated "best price" information on the drugs. This action decreased the rebate amount owed to the State. As part of the settlement, New Jersey recovered \$2,376,534 in restitution and penalties.

